

# Alcon, Inc.



**Worldwide Leader**  
in Ophthalmic Research and Manufacturing



**Alcon®**

# Safe Harbor Statement

*Statements contained in this presentation that are forward-looking are based on current expectations that are subject to a number of uncertainties and risks, and actual results may differ materially. Alcon does not undertake any obligation to update any of the forward looking statements or forward looking information. Although Alcon believes that these statements are based on reasonable assumptions within the bounds of its knowledge of its businesses and operations, there are a number of factors that may cause actual results to differ from these statements. Factors that might cause these differences include, but are not limited to, the uncertainty of market acceptance of our products by the worldwide medical community; uncertainty of clinical trial results for expanded FDA approval submissions for our current products and initial approval of our products under development; product liability claims; manufacturing issues; and risks inherent in international transactions. For additional factors, which could cause actual results to differ from expectations, reference is made to the periodic reports filed by the company with the Securities and Exchange Commission under the Securities Exchange Act of 1934 as amended. Additional information about risk factors also can be found in the Company's Annual Report filed with the SEC on Form 20-F, under the heading "Risk Factors" and in other documents also filed with the SEC. All these documents are available publicly and upon request from the Alcon Investor Relations Department at 817-551-8805 or [www.alconinc.com](http://www.alconinc.com)*



# Investment Dynamics

**Large & Growing  
Markets**

**Innovation  
and Research**

**World's Leading  
Eye Care Company**

**Global Reach**

**Financial  
Performance**

**Market  
Leadership**



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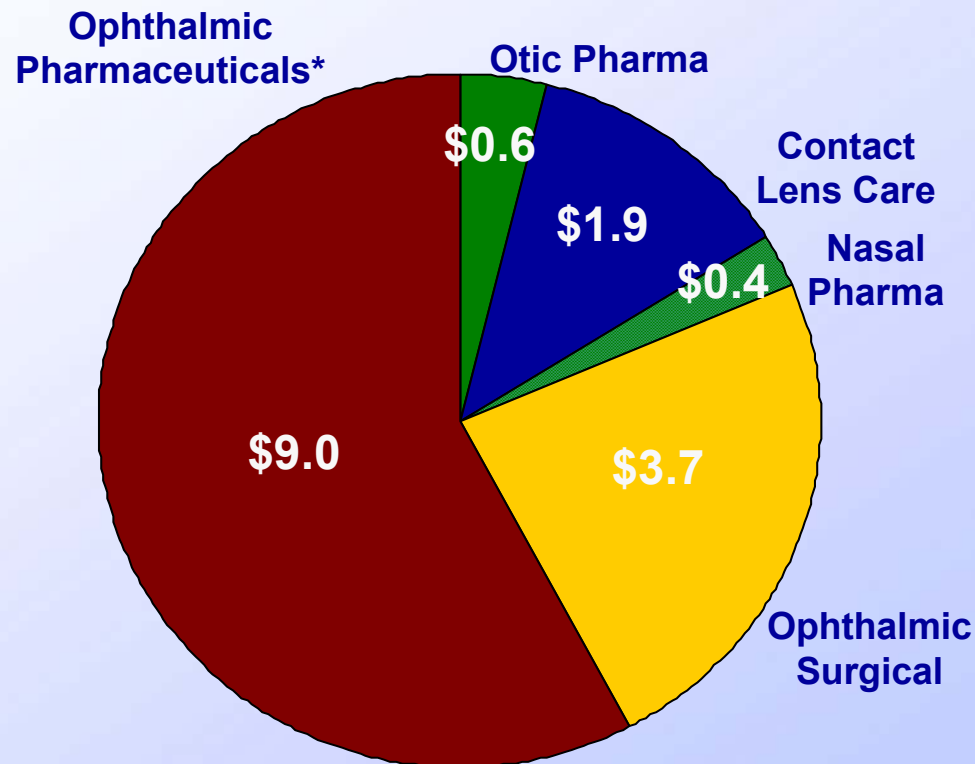
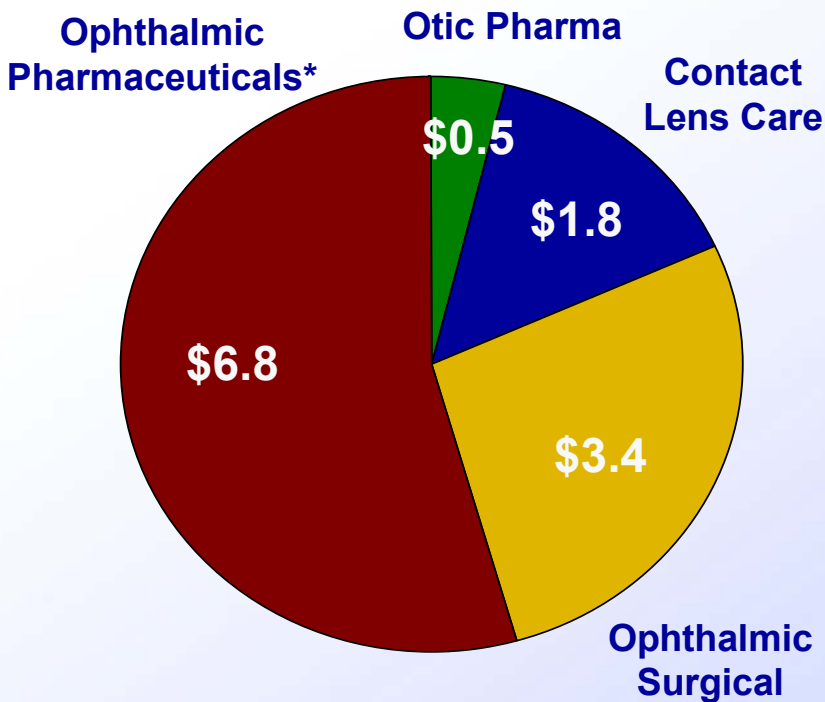
**Market  
Leadership**



# Large Growing Market

**2003**

**2006**



**\$12.5**

**+ 25%**

**\$15.6**

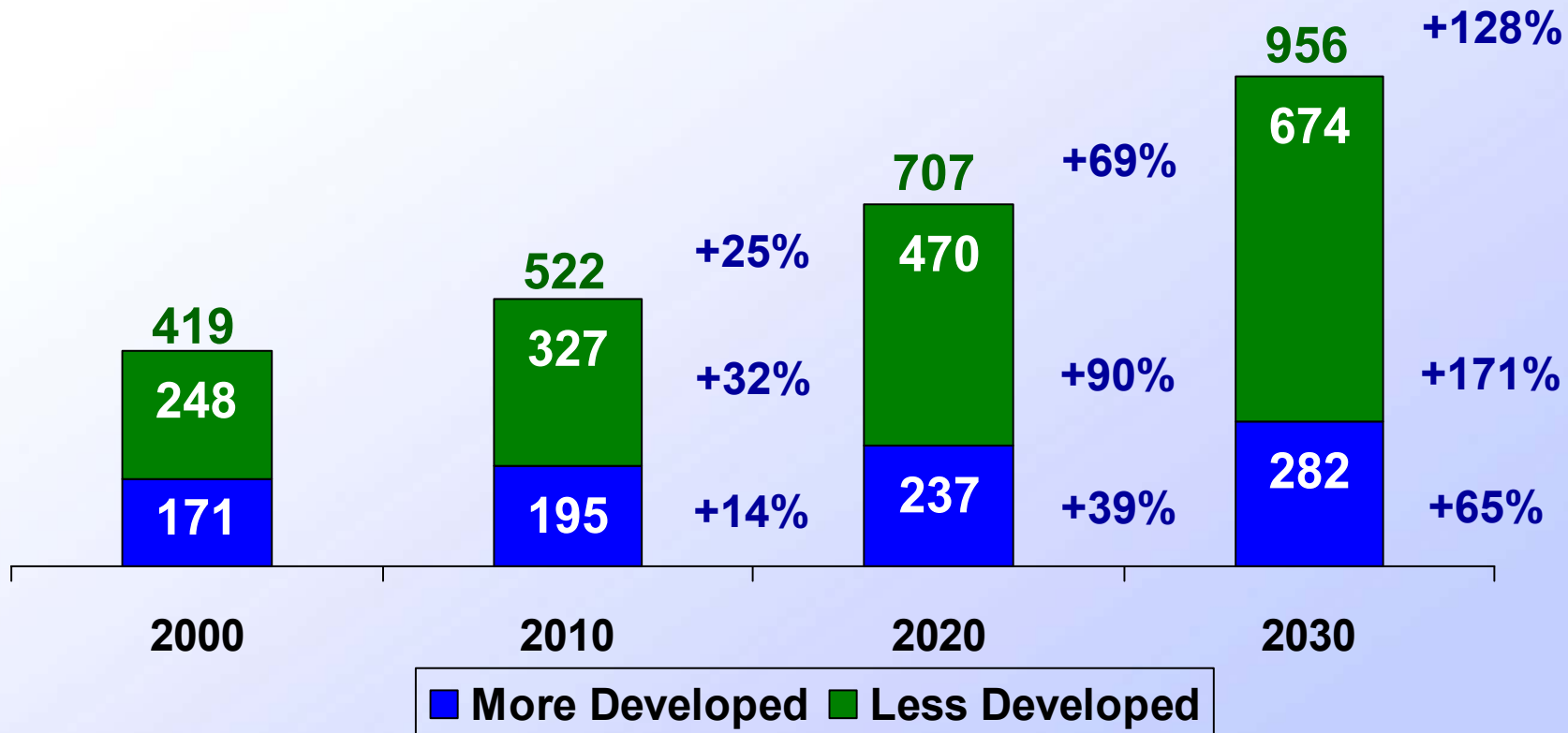
\*Includes OTC Tears, Allergy and Vitamins

(Dollars in Billions)



# Markets - Favorable Demographics

## Population age 65 plus



(Millions of people. Source: United Nations)



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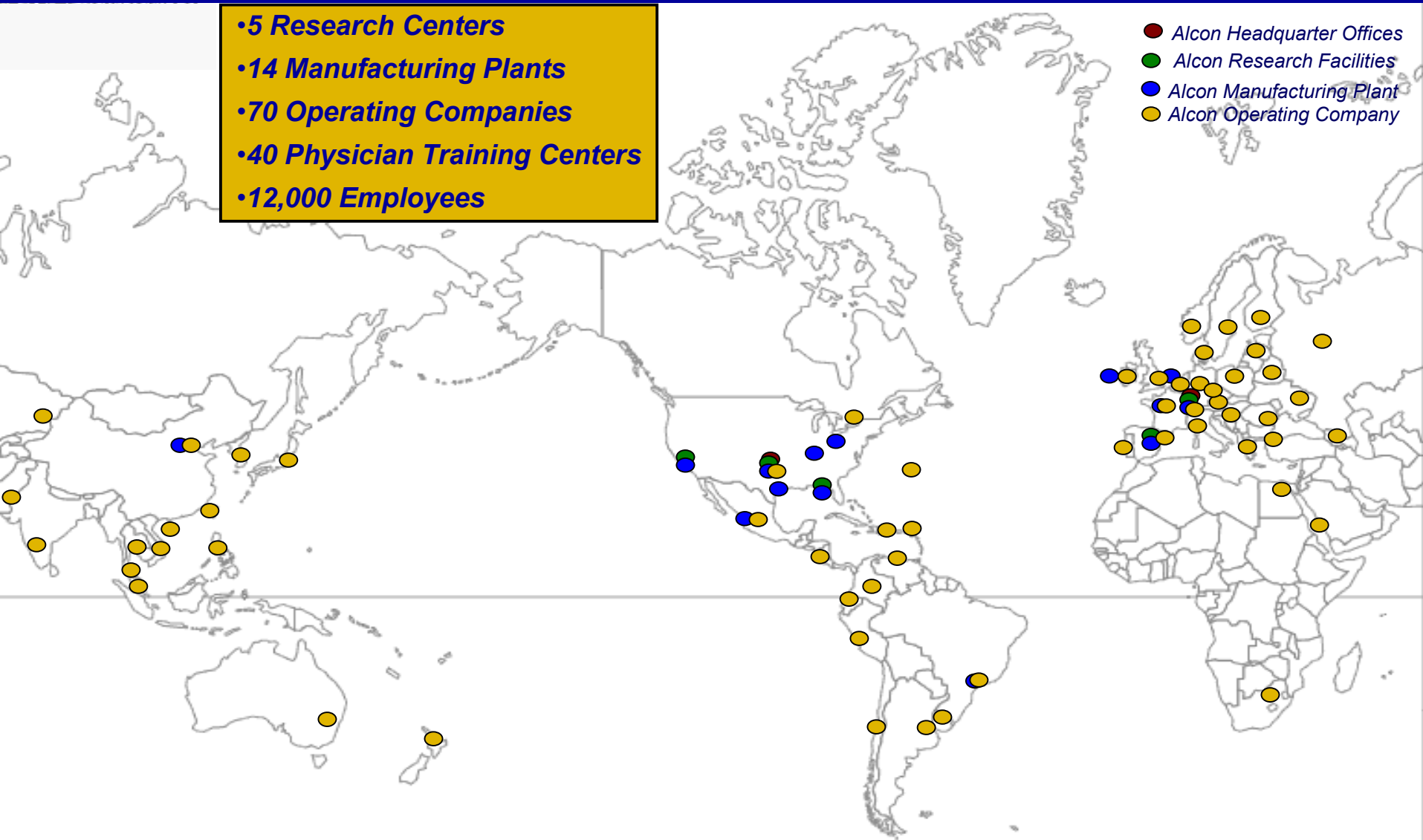
**Market  
Leadership**



# Global Reach

- 5 Research Centers
- 14 Manufacturing Plants
- 70 Operating Companies
- 40 Physician Training Centers
- 12,000 Employees

- Alcon Headquarter Offices
- Alcon Research Facilities
- Alcon Manufacturing Plant
- Alcon Operating Company



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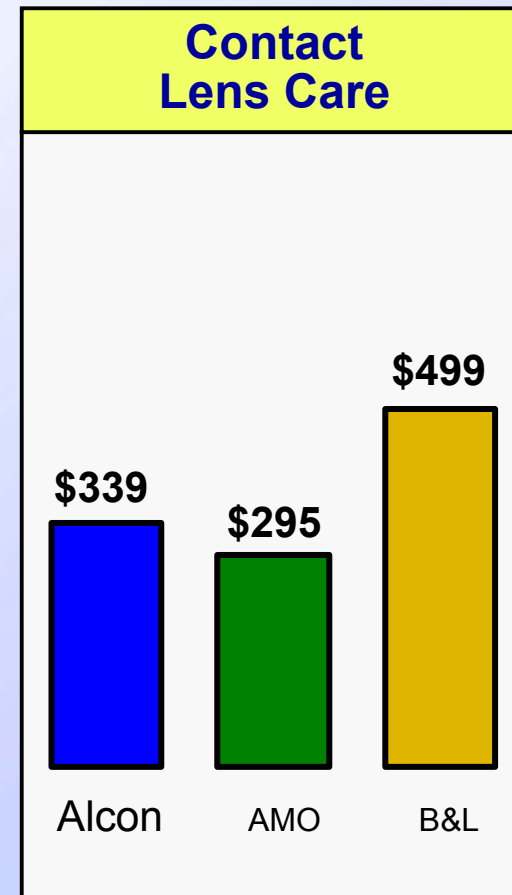
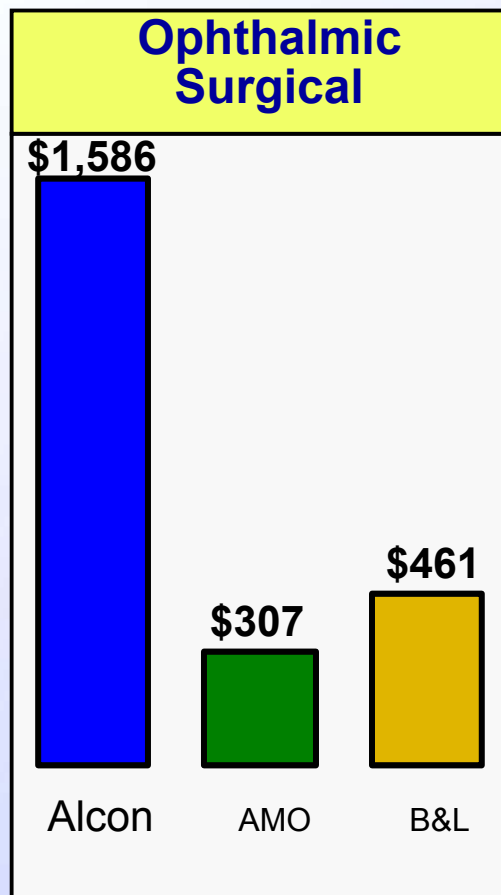
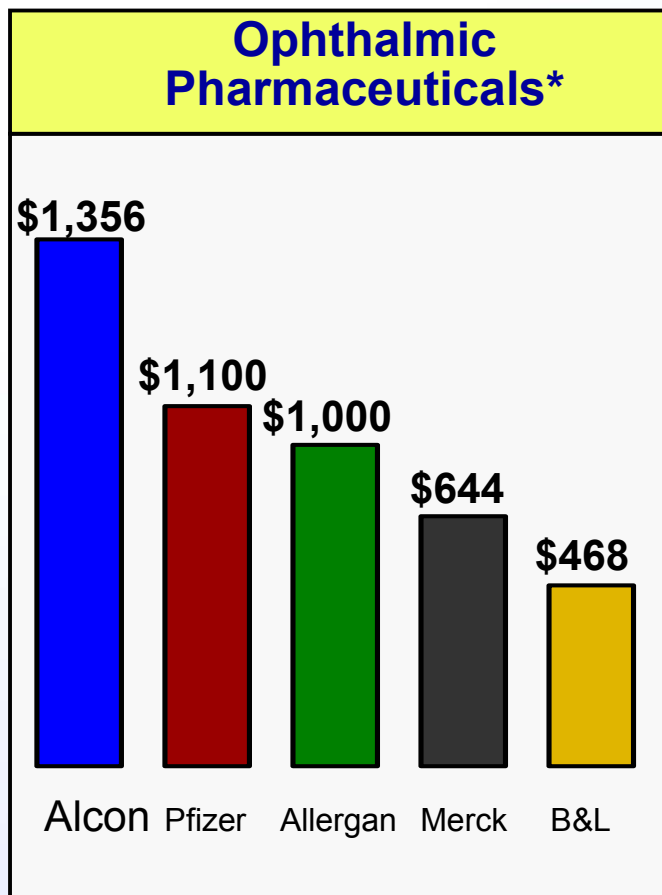
**Market  
Leadership**



# Competitive Leadership

(US \$ Millions)

## 2003 Sales Results



\*Includes OTC Tears, Allergy and Vitamins for consistency with competition; excludes Otic pharmaceuticals



# Competitive Leadership

## 2003 Market Shares

### **Surgical 47% Global Share**

**#1 Cataract**  
**#1 Vitreoretinal**  
**#2 Refractive**

### **Pharmaceutical 20% Global Share**

**#1 Allergy**  
**#1 Anti-infective**  
**#1 Anti-inflammatory**  
**#1 Combination**  
**#1 Generics**  
**#2 Artificial Tears**

### **Contact Lens Care 19% Global Share**

**#2 Soft Lens Care**

(Individual therapeutic categories represent US market shares)



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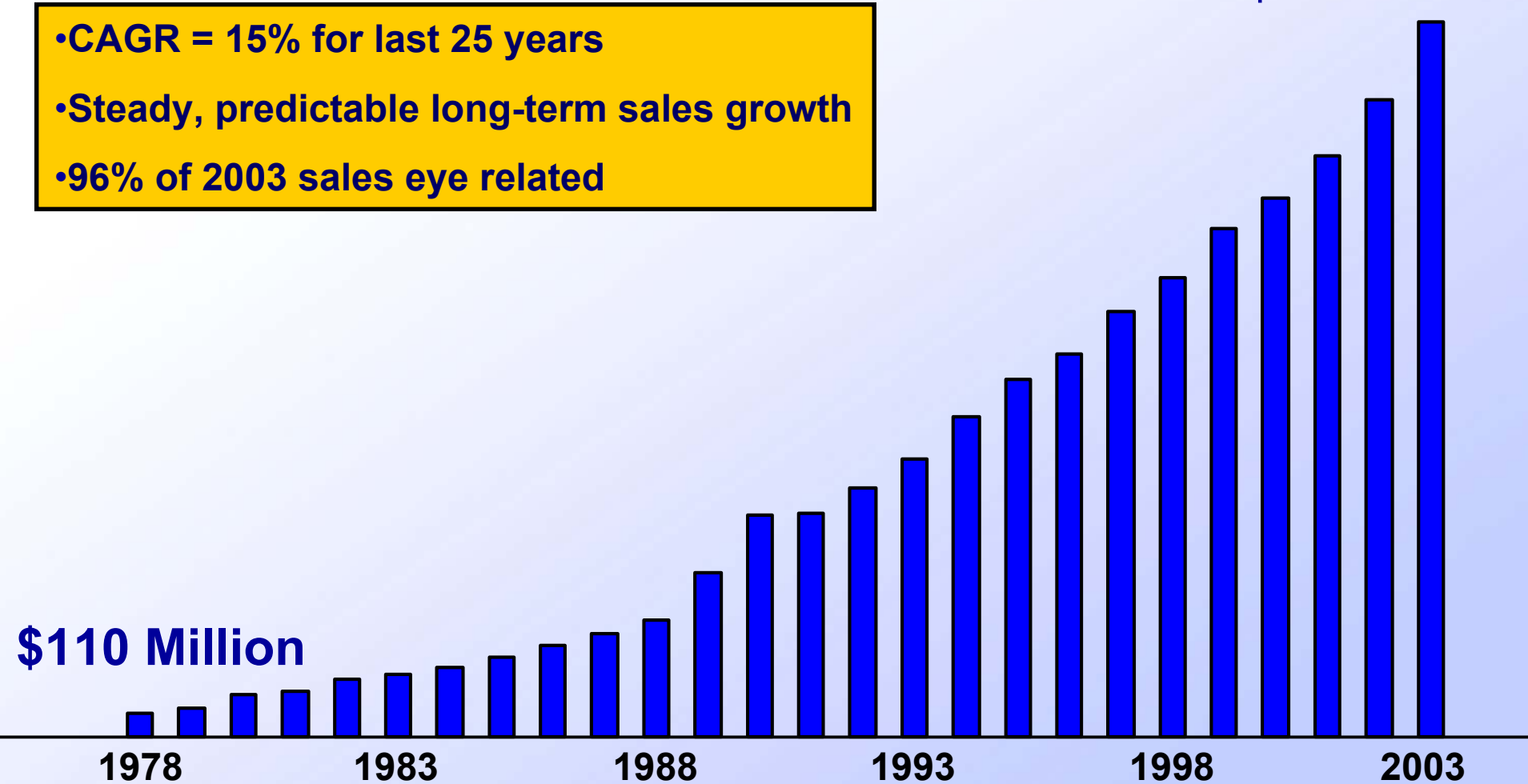
**Market  
Leadership**



# Stable Sales Growth

- CAGR = 15% for last 25 years
- Steady, predictable long-term sales growth
- 96% of 2003 sales eye related

**\$3.4 Billion**

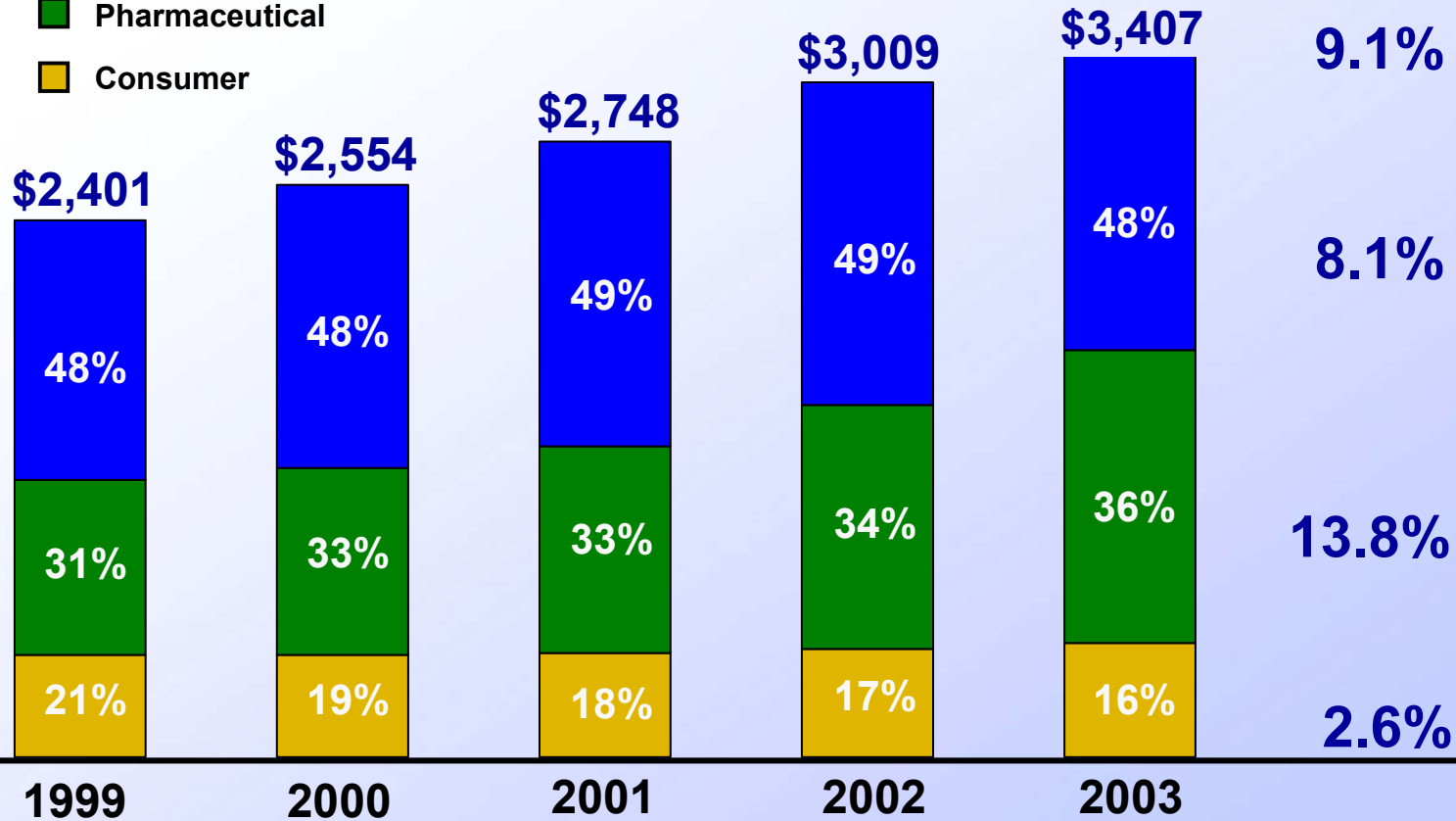


# Balanced Sales Growth

(US \$ Millions)

- Surgical
- Pharmaceutical
- Consumer

**CAGR**  
1999 to 2003

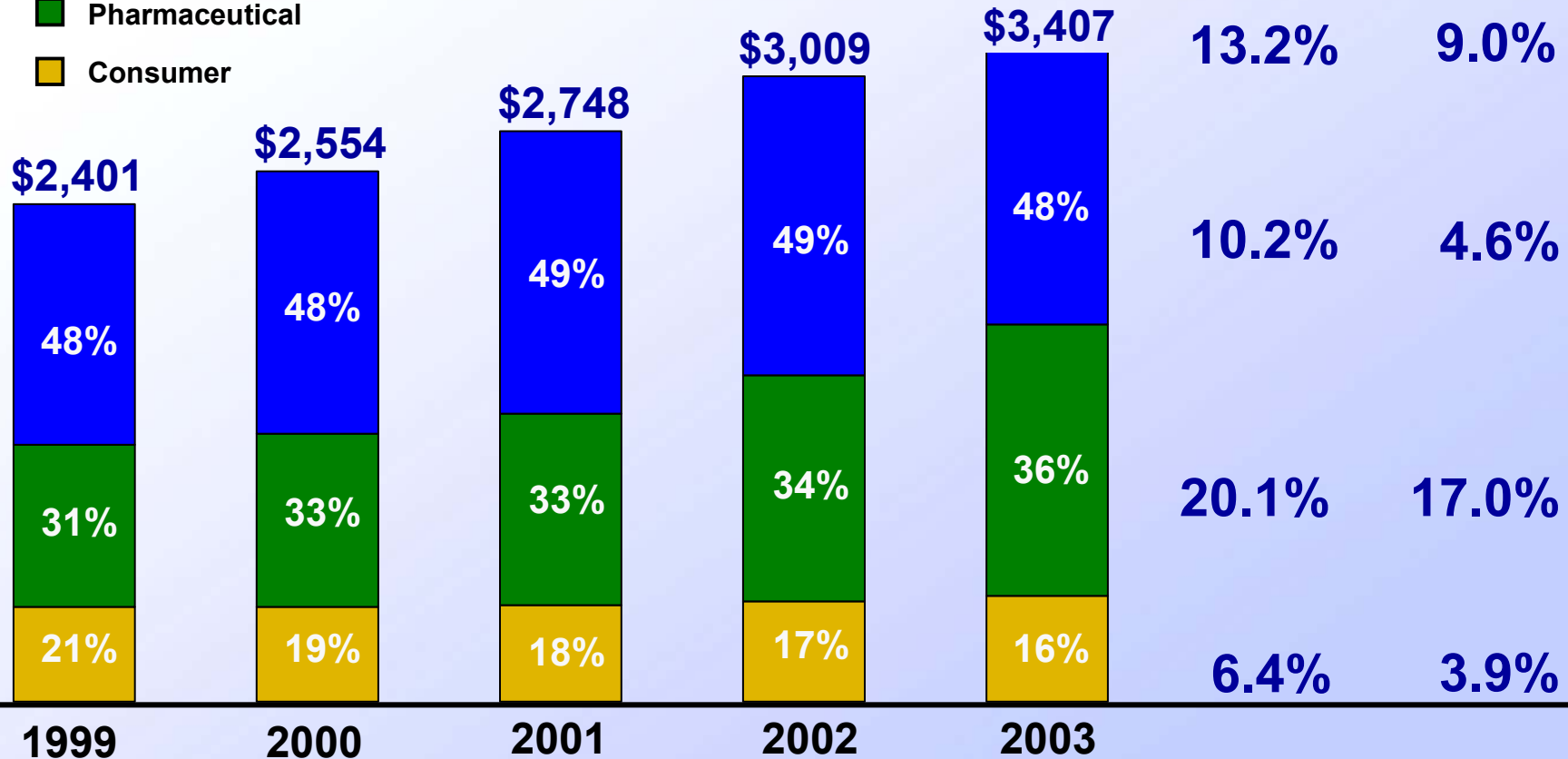


# Balanced Sales Growth

(US \$ Millions)

- Surgical
- Pharmaceutical
- Consumer

| 2003 vs. 2002 |        |
|---------------|--------|
| Reported      | w/o FX |



| 2003 vs. 2002 |        |
|---------------|--------|
| Reported      | w/o FX |
| 13.2%         | 9.0%   |
| 10.2%         | 4.6%   |
| 20.1%         | 17.0%  |
| 6.4%          | 3.9%   |

(Sales growth excluding the effect of foreign currency fluctuations has been presented to give investors a more accurate measure of underlying growth in the business.)



# Leveraging Global Operations

## Sales



## Operating Income

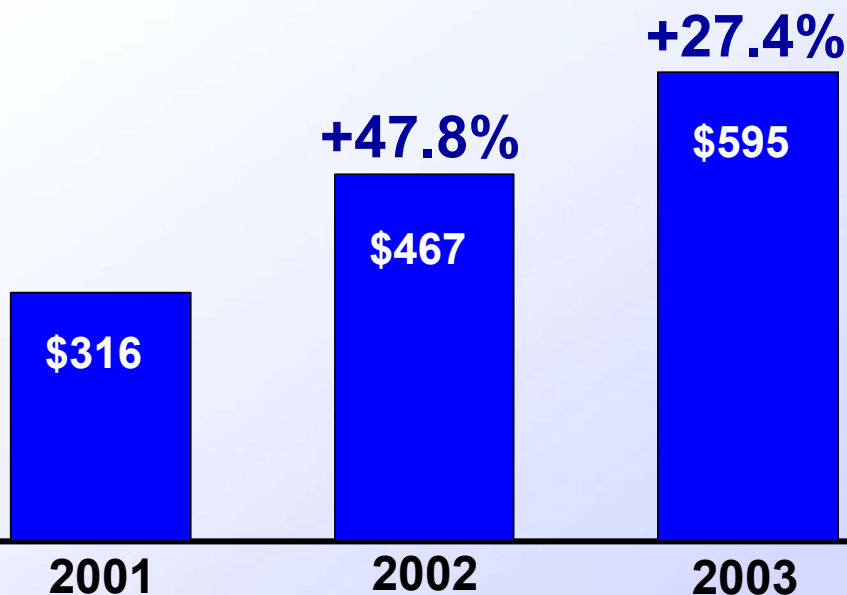


(US \$ Millions - Reported Numbers)

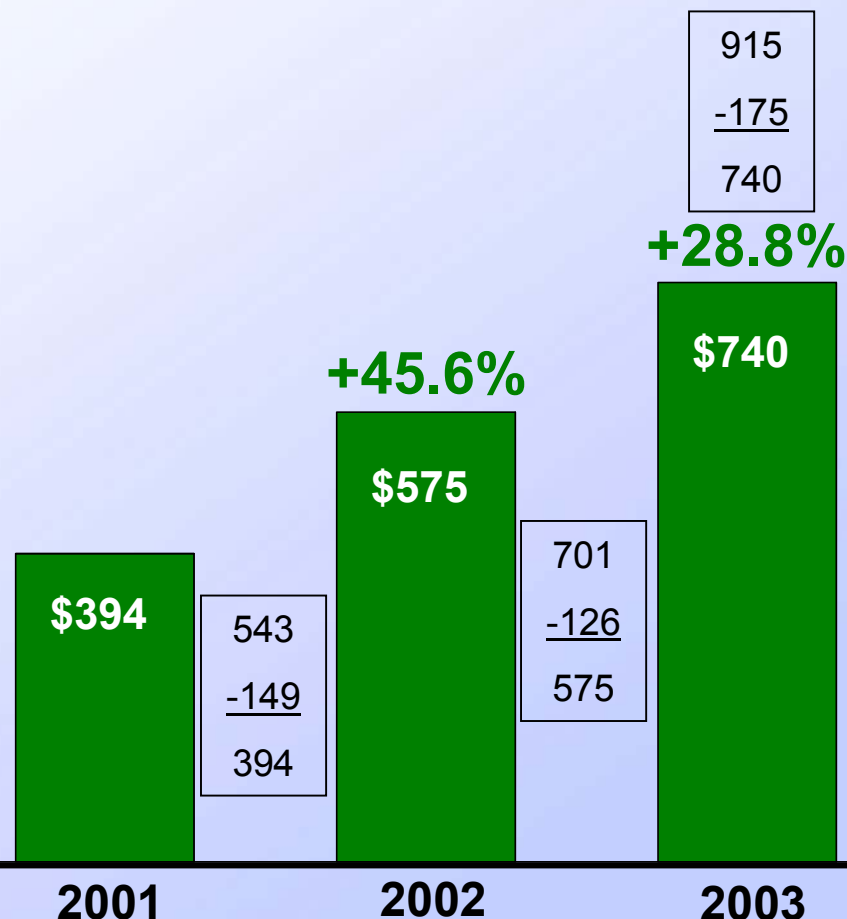


# Turning Profits into Strong Cash Flow

## Net Earnings



## Free Cash Flow



915

-175

740

**+28.8%**

**\$740**

**\$575**

**+45.6%**

**\$394**

543

-149

394

701

-126

575

**2003**

**2002**

**2001**

**2003**

**2002**

**2001**

(Free Cash Flow = Net cash from operating activities less net cash from investing activities. Free cash flow presented as a more appropriate measure for investors to gauge the Company's ability to generate cash.)

(US \$ Millions - Reported Numbers)



# Investment Dynamics

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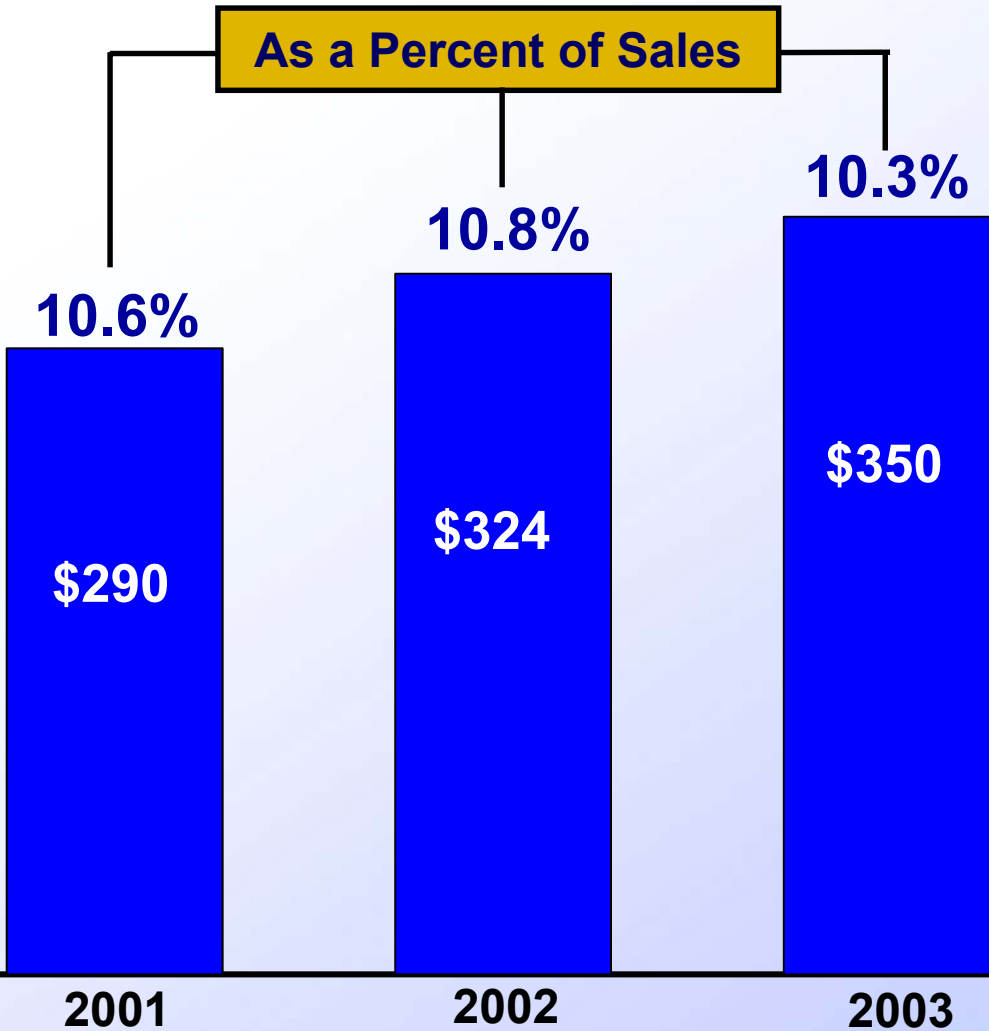
**Global Reach**

**Financial  
Performance**

**Market  
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# R&D Investment



Planned investment of \$2 billion over the next five years

(US \$ Millions)



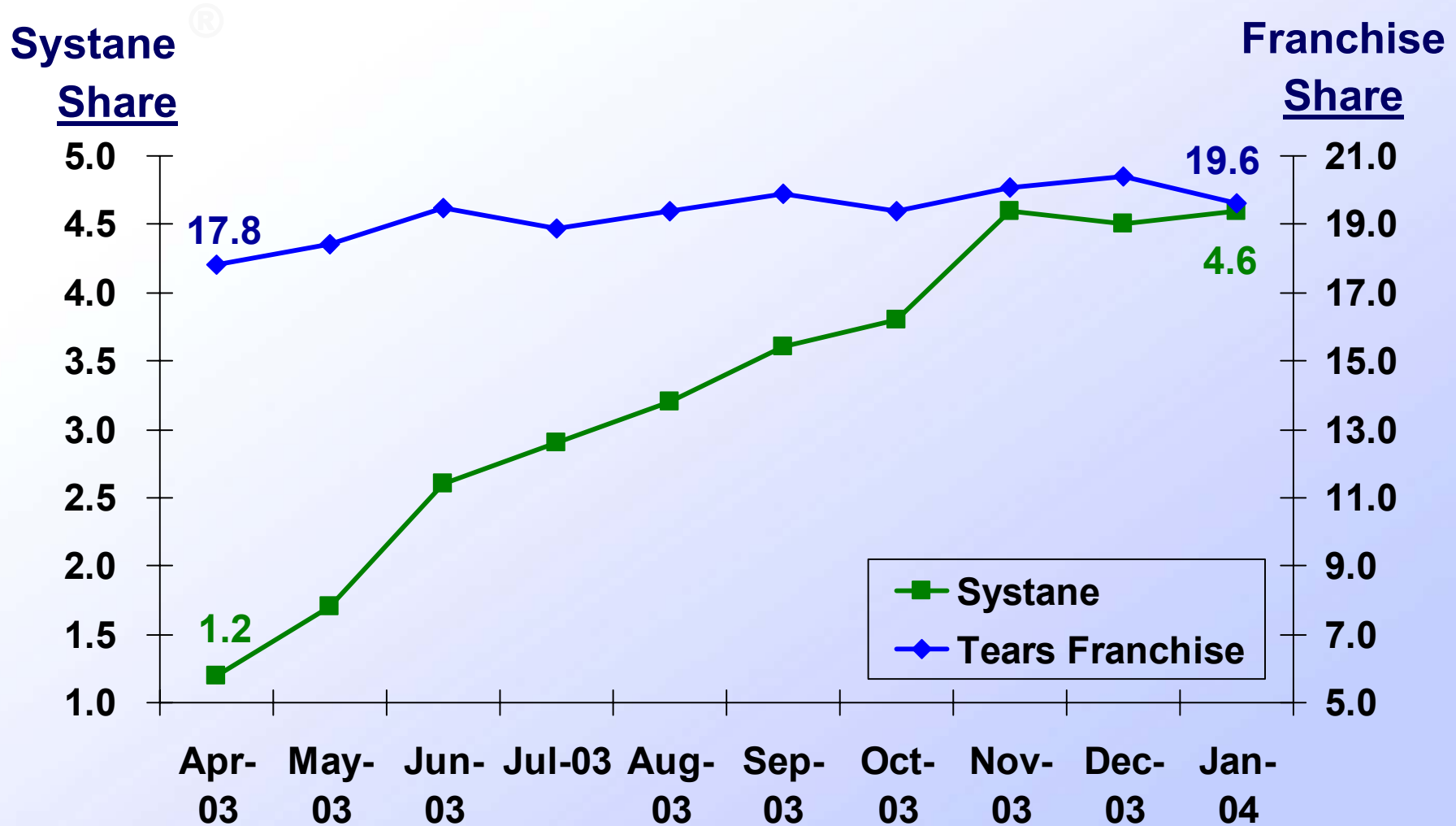
# 2003 New Product Launches

|                         | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> |
|-------------------------|-----------|-----------|-----------|-----------|
| Systane® Tears          | ●         |           |           |           |
| CustomCornea®           | ●         |           |           |           |
| Vigamox™                |           | ●         |           |           |
| Infiniti™ Vision System |           |           | ●         |           |
| AcrySof® Natural        |           |           | ●         |           |
| CiproDex* Otic          |           |           | ●         |           |

\*Cipro is a registered trademark and licensed from Bayer AG



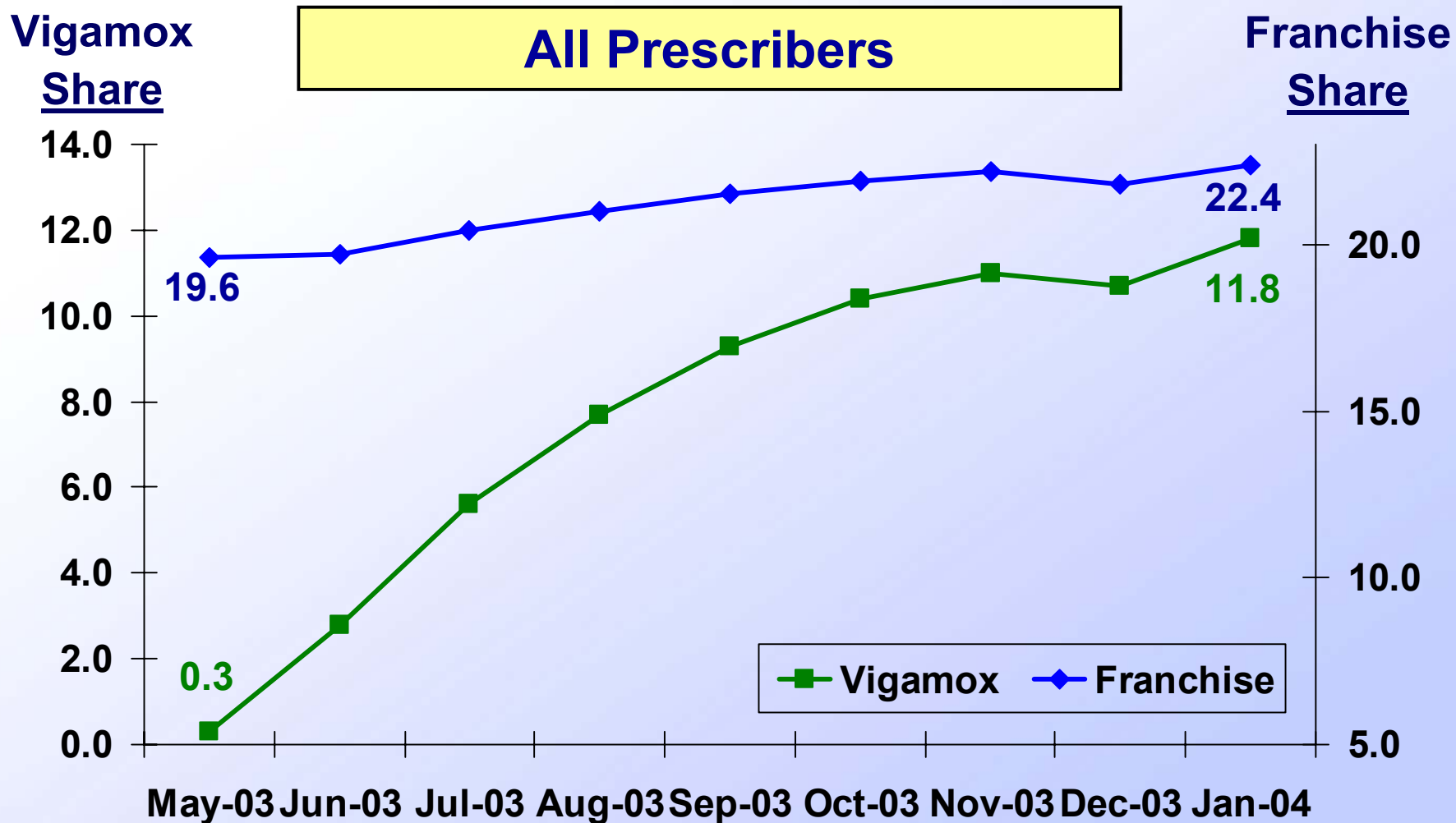
# Systane® - Share Performance



(US market share for Systane and Alcon total tears franchise)



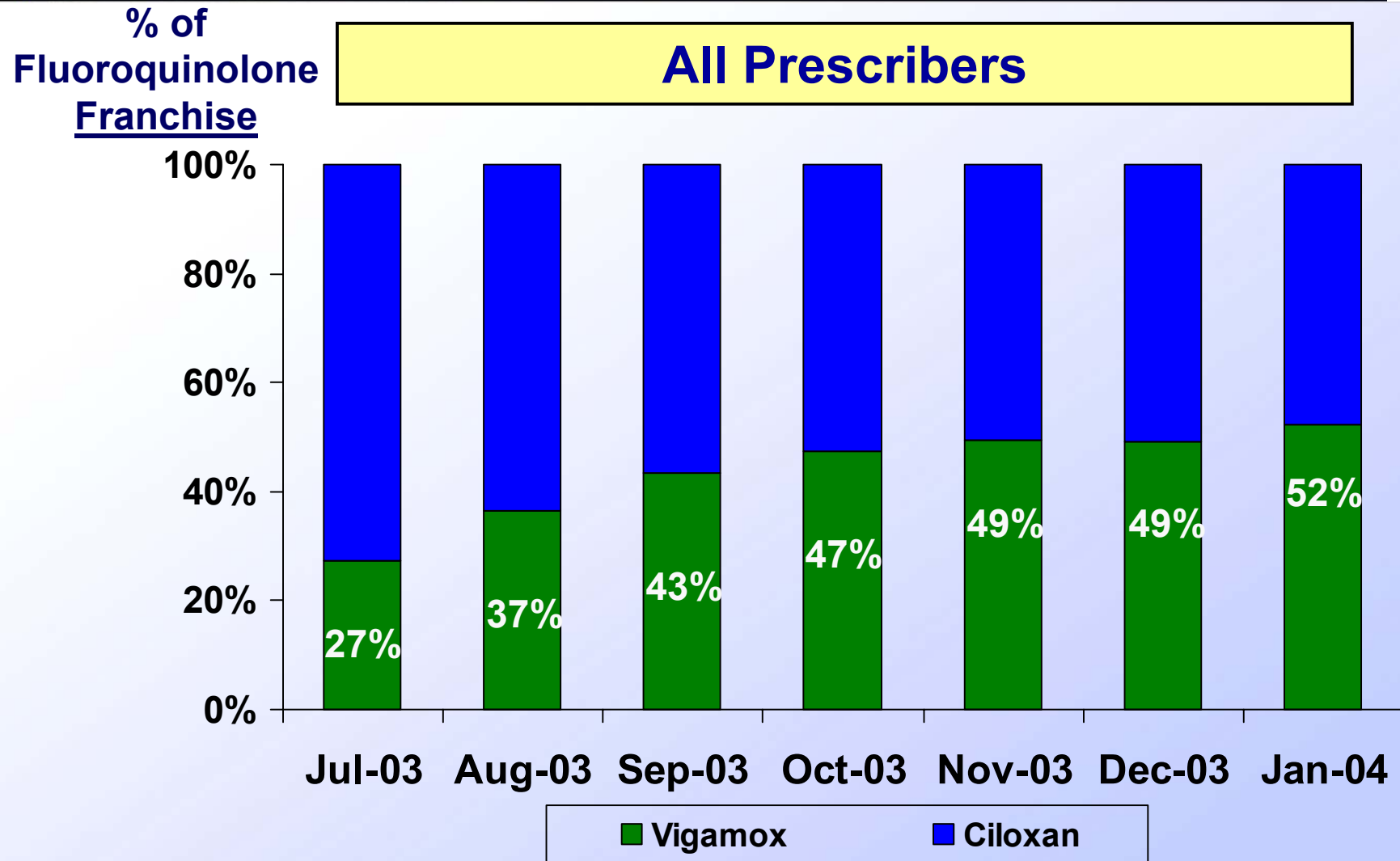
# Vigamox™ - Share Performance



(US market share for Vigamox and Alcon total branded anti-infective franchise)



# Vigamox™ Conversion Trend



(US conversion trend for Vigamox and Ciloxan)

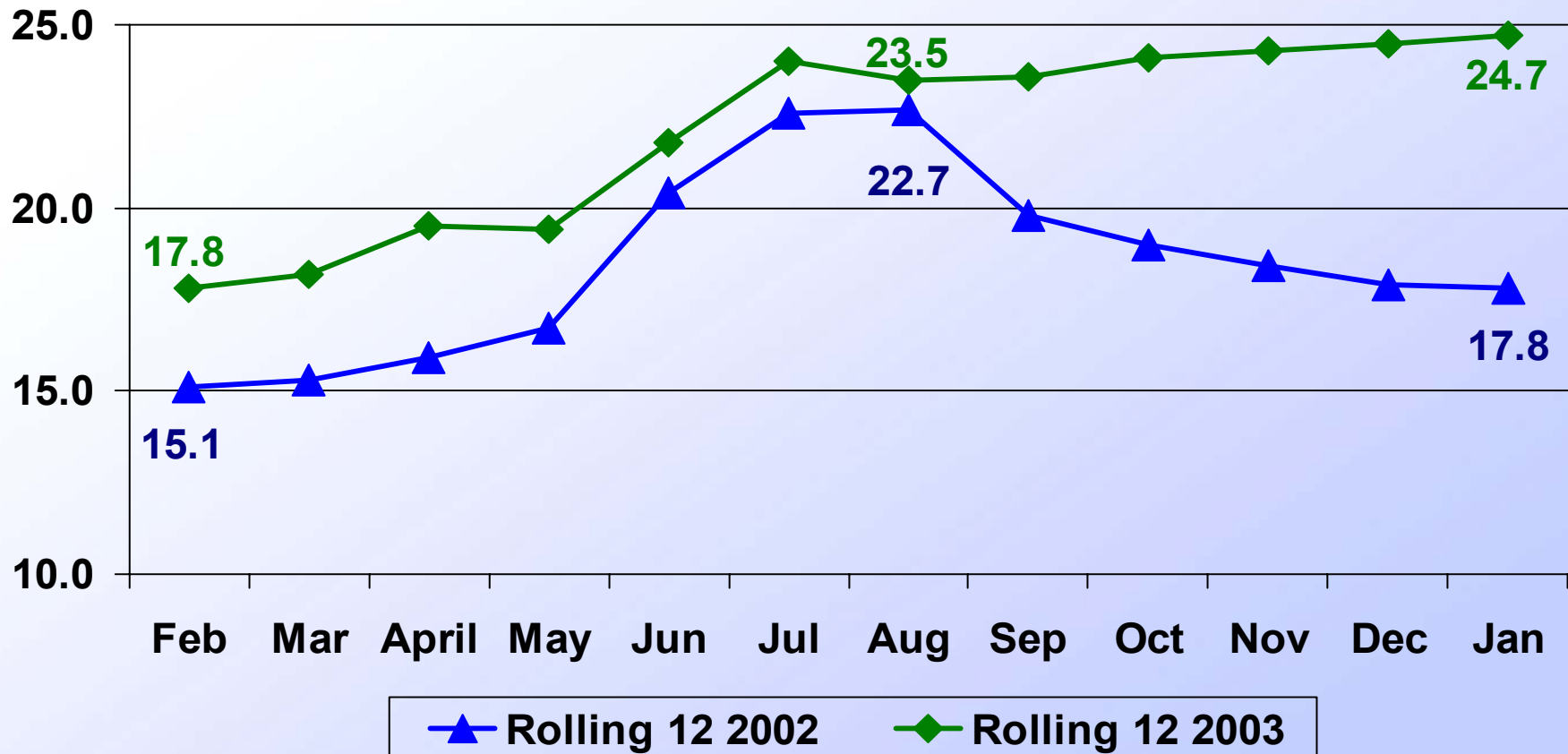


# Otic Franchise - Share Performance



Market  
Share %

All Prescribers



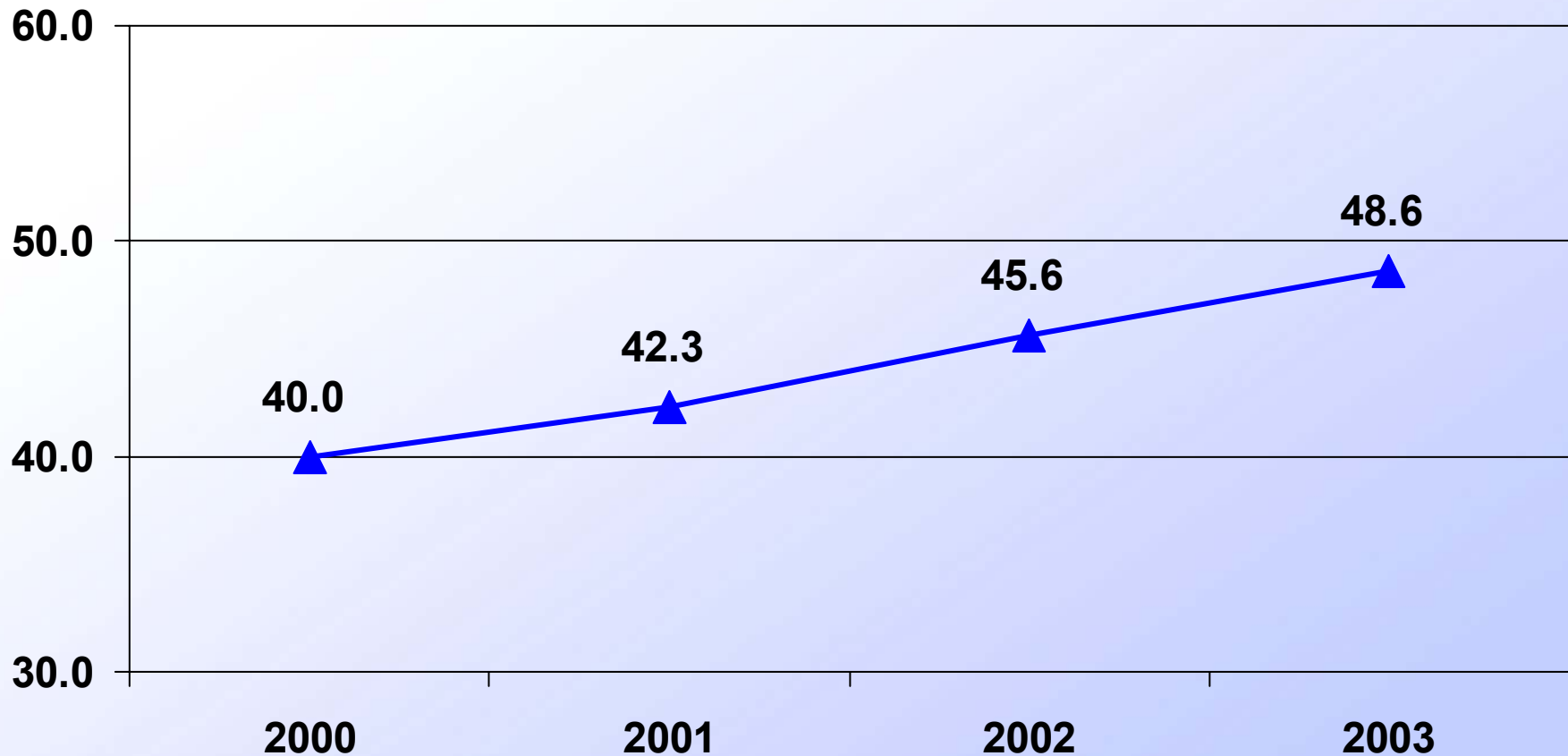
(US market share for CiproDex and Cipro HC combined)



# AcrySof® Share Performance



Market  
Share %



(US market share for all AcrySof intraocular lenses)



# Pharmaceutical R&D Pipeline

|                      | <u>2004</u> | <u>2005</u> | <u>2006+</u> | <u>Status</u> |
|----------------------|-------------|-------------|--------------|---------------|
| Patanol® QD          | ■           |             |              | Filed         |
| Trav/tim Combo       | ■           | ■           |              | Filed         |
| Brimonidine/Polyquad | ■           | ■           |              | Phase III     |
| RETAANE™             | ■           | ■           |              | Phase III     |
| Patanol® Nasal       | ■           | ■           |              | Phase III     |
| 15(S)-HETE (Dry Eye) | ■           | ■           | ■            | Phase III     |
| Moxi/Dex             | ■           | ■           | ■            | Pre-Clinical  |
| Nepafenac            | ■           | ■           | ■            | Phase III     |

*Approval targets are for U.S. regulatory approvals*

*2006+ indicates expected approval in 2006 or beyond.*



# Surgical/Consumer R&D Pipeline

|                           | <u>2004</u> | <u>2005</u> | <u>2006+</u> | <u>Status</u> |
|---------------------------|-------------|-------------|--------------|---------------|
| AcrySert® Device          |             |             |              | Filed         |
| CustomCornea® Astig.      |             |             |              | Filed         |
| CustomCornea® Hyper.      |             |             |              | Advanced      |
| AcrySof® Natural Toric    |             |             |              | Advanced      |
| AcrySof® ReSTOR®          |             |             |              | Advanced      |
| New Viscoelastic          |             |             |              | Advanced      |
| AcrySof® Phakic IOL       |             |             |              | Early         |
| New Vit/Ret System        |             |             |              | Early         |
| Stableyz™ Irrigating Sol. |             |             |              | Active        |
| <br>Systane® Single Use   |             |             |              | <br>Advanced  |
| Systane® Next Gen.        |             |             |              | Advanced      |
| New CLC Solution          |             |             |              | Early         |

*Approval targets are for U.S. regulatory approvals*

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# RETAANE™ 15mg Depot



**\*Investigational device currently in US clinical trials**

- Compound is an angiostatic cortisene
- Inhibits the growth of abnormal blood vessels
- Applied to the back of the eye via a curved, blunt-tipped cannula
- Requires administration only twice a year
- Projected Q4 2004 filing



# RETAANE™ Clinical Results

**Stable\* or Improved Vision - All Lesions**

% of  
Eyes

100%

80%

60%

40%

20%

0%

88%

70%

79%

53%

73%

47%

6 Month

p=0.0799

12 Month

p=0.0323

24 Month

p=0.0347

■ RETAANE 15 mg

■ Placebo

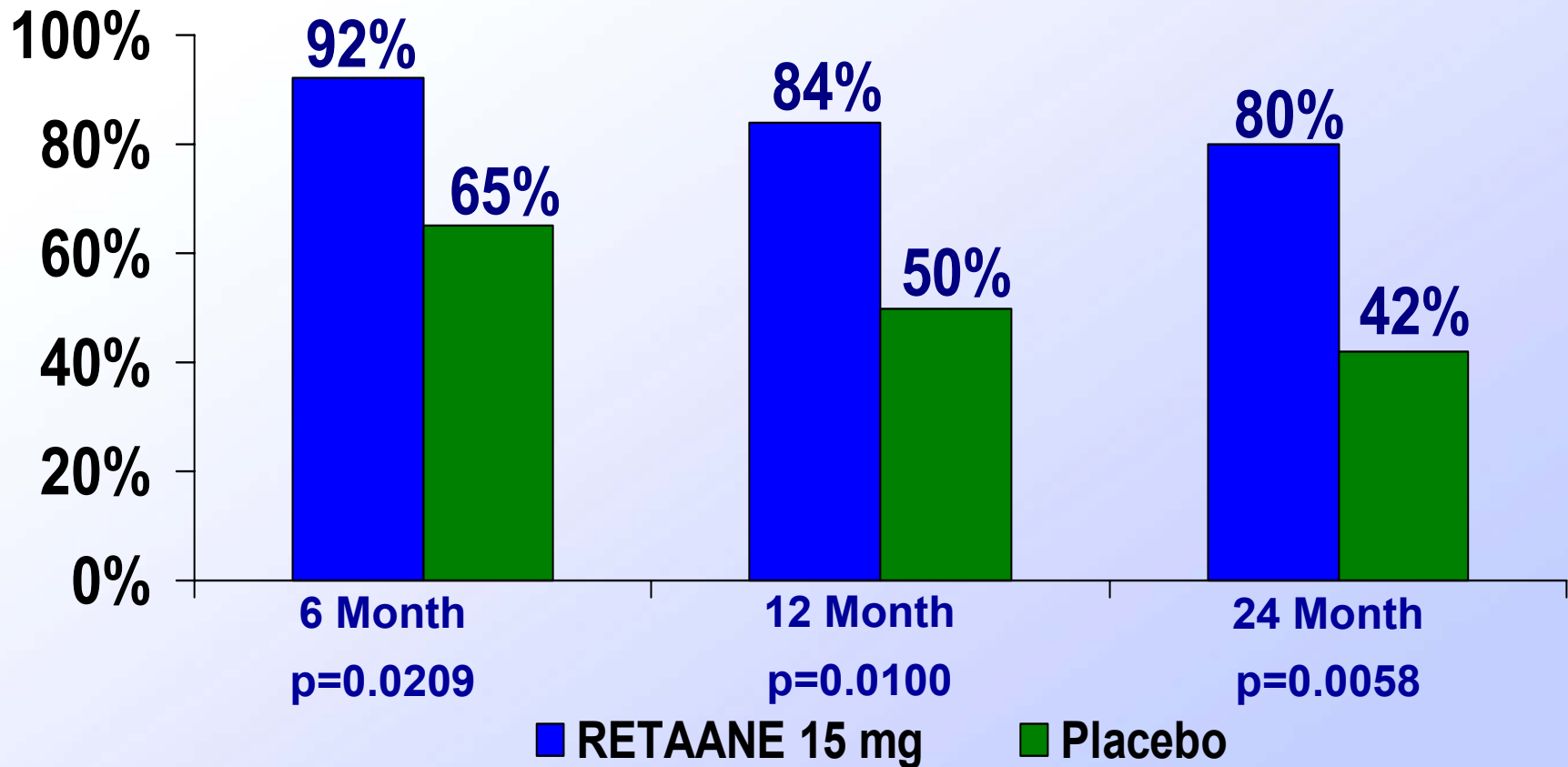
\* Less than 3 lines of vision loss



# RETAANE™ Clinical Results

% of  
Eyes

Stable\* or Improved Vision - Predominantly Classic Lesions



\* Less than 3 lines of vision loss



# AcrySof® ReSTOR® IOL



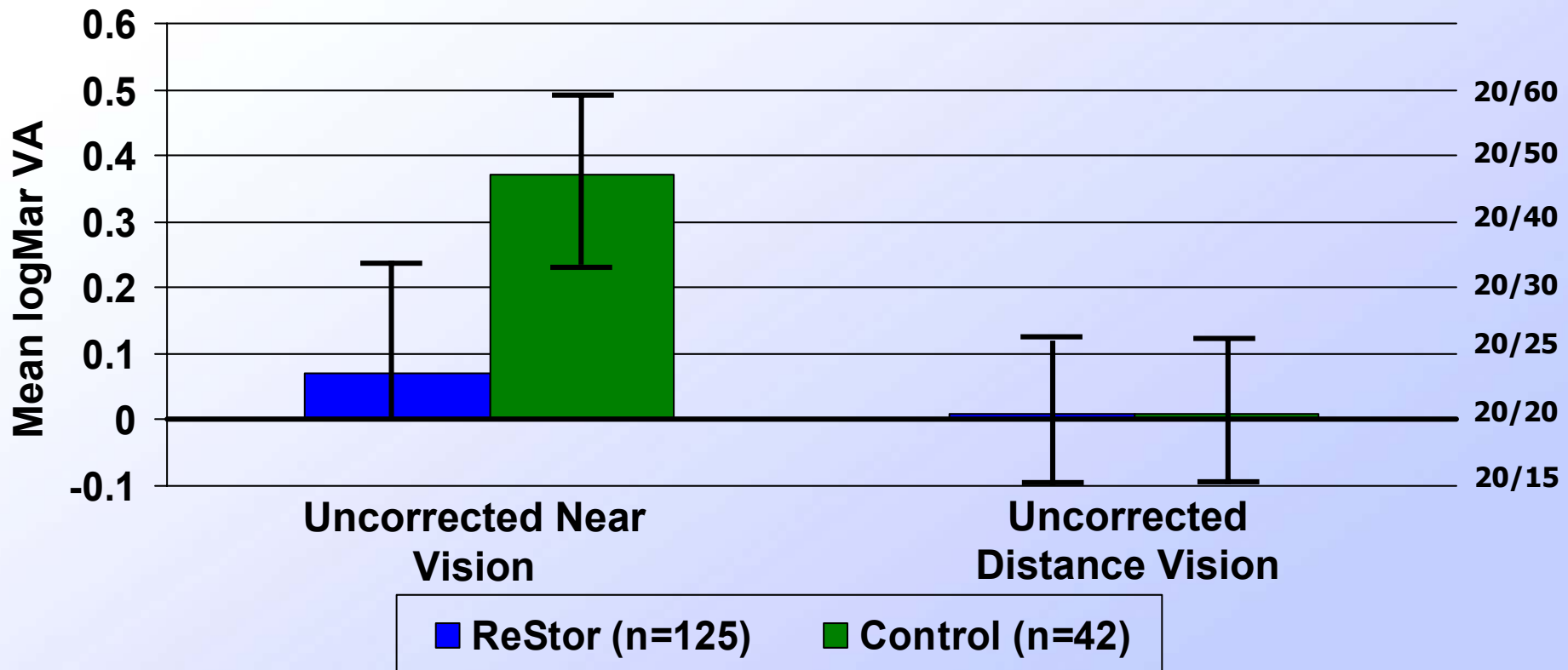
\*Investigational device currently in US clinical trials

- Optical vs. mechanical accommodation
- Apodized diffractive/refractive design
- Balances near and distance light energy when pupil is small
- Increases distance light energy as pupil diameter increases
- Projected Q3 2004 filing



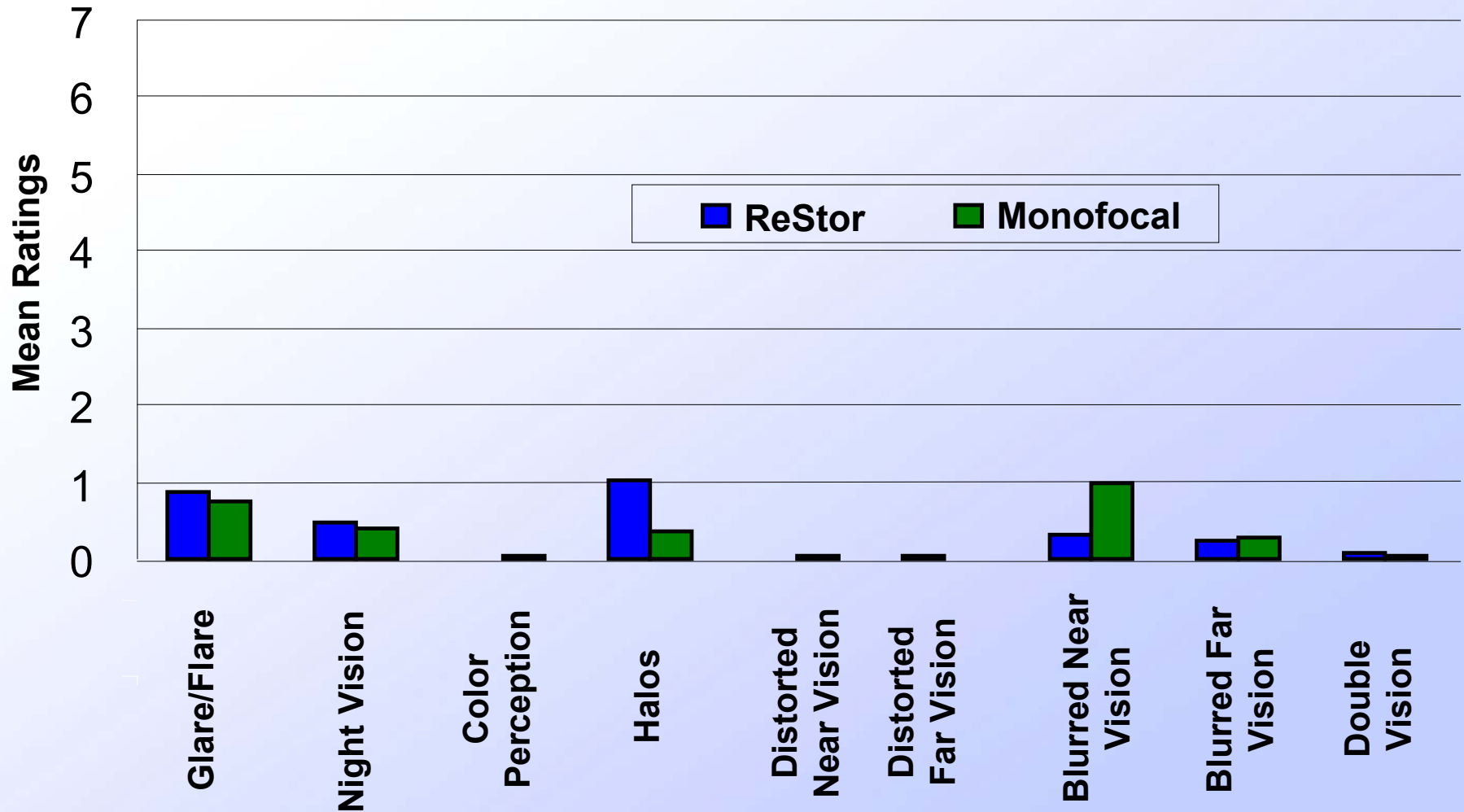
# AcrySof® ReSTOR® Clinical Results

## Near and Distance Visual Acuity Binocular 120-180 Days Postoperative



# AcrySof® ReSTOR® Clinical Results

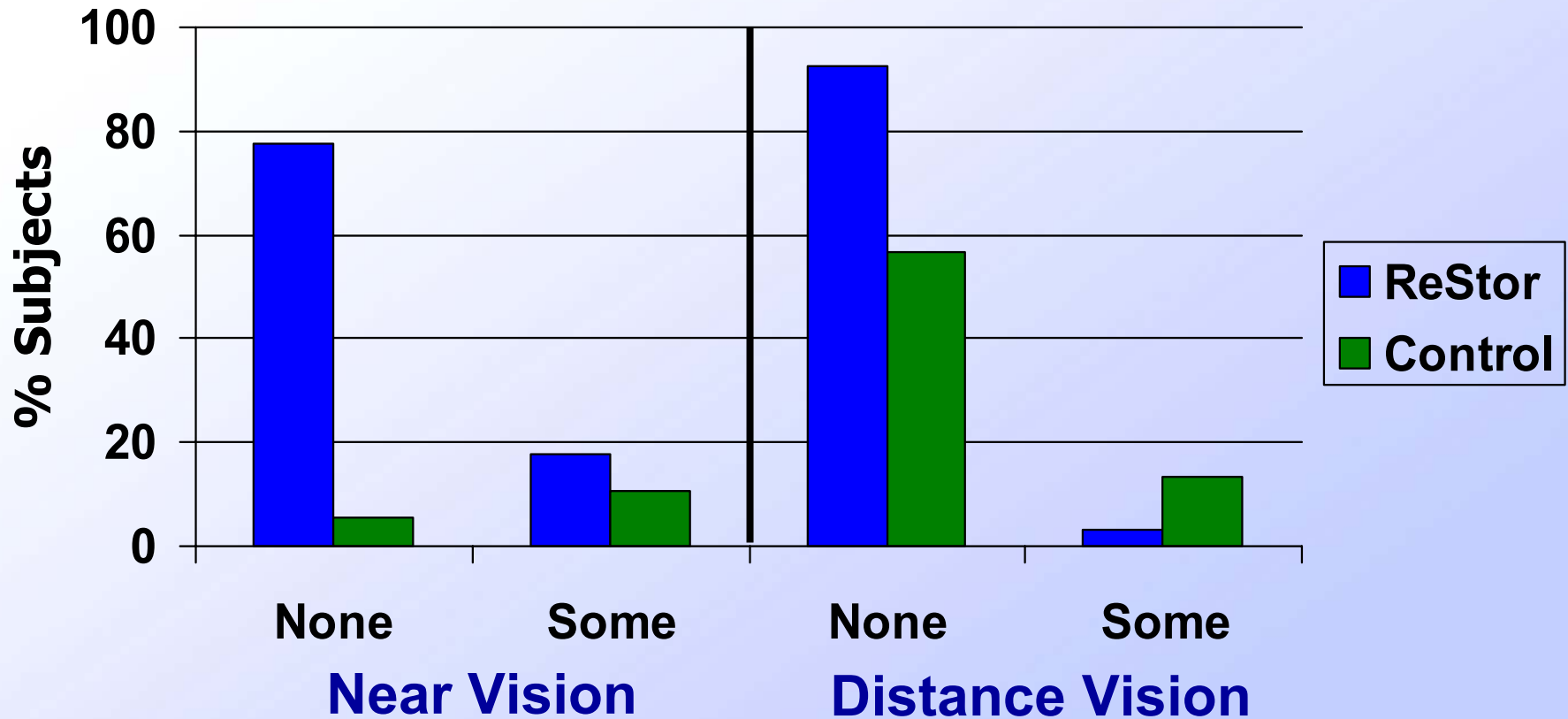
## Visual Disturbances



# AcrySof® ReSTOR® Clinical Results

## Spectacle Wear - Near and Distant Vision

How much of the time do you wear glasses for seeing objects close at hand or at a distance?



# Strategic Sales Growth Drivers

**Aging  
Populations**

**Global Market  
Expansion**

**Target Sales  
Growth 8–10%**

**Market  
Share Gains**

**New Products**



# Strategic Sales Growth Drivers

- Aging populations
- Global market expansion
- Market share gains
- New products

- Leverage infrastructure
- Debt reduction
- Tax rate improvements



Target

**EPS 1.5-2X  
Sales Growth**



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